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C O N F I D E N T I A L SECTION 01 OF 02 CARACAS 001447

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SUBJECT: VENEZUELA'S STANDARDS REGIME IN DISARRAY

Classified By: Economic Counselor Darnall Steuart for reasons 1.4
(b) and (d).

11. (C) SUMMARY: The status of Venezuela's standards regime is uncertain after a June 2009 resolution abolished the relationship between the principal, non-profit industry standards setting entity, the Fund for Standardization and Quality (FONDONORMA), and the Government of the Bolivarian Republic of Venezuela (GBRV). The current standards regime was established under a 2002 law that created the National Autonomous Service for Standardization, Quality, Metrology, and Technical Regulations (SENCAMER) as the government entity responsible for technical standards. In practice, SENCAMER has not published an official standard since 2004 and its tenuous relationship with FONDONORMA has now been abolished by the June 2009 resolution. END SUMMARY.

BACKGROUND

12. (SBU) In recent years, Venezuela's standards regime has been changing. In practice, industry standards have been developed by FONDONORMA, a private non-profit organization which was established in 1973. FONDONORMA's technical committees included representatives of both the private and public sectors and developed draft industry standards acceptable to both; these standards were then approved as official Venezuelan standards by the Ministry of Development.

A 2002 law created the National Autonomous Service for Standardization, Quality, Metrology, and Technical Regulations (SENCAMER) as part of the then Ministry of Commerce and Industry and designated it as the government entity responsible for technical standards. In fact, the implementing regulations for the 2002 law have never been published or implemented and SENCAMER has not published an official standard since 2004. In 2008, SENCAMER announced that it would no longer certify FONDONORMA standards.

NO MORE FONDO, NO MORE NORMA

13. (C) On October 29, FONDONORMA's Director General, Lourdes Perez de Pescoso (protect throughout), told EmbOffs that the relationship between the GBRV and FONDONORMA officially ended when the Ministry of Commerce published a resolution in the Official Gazette on June 10, 2009. Although SENCAMER announced in 2008 that it would no longer certify FONDONORMA

standards, FONDONORMA has continued to press ahead with developing draft standards for Venezuelan industry. The June 2009 resolution, however, formally dissolved the relationship between the two bodies and established SENCAMER as the sole government agency responsible for certifying quality standards for products, processes, and services. The resolution further created a new Development Fund for Standards, Quality, Certification, and Metrology under SENCAMER's supervision. The role of this new entity is unclear; Perez said that she was unsure if it even had a physical location.

14. (C) Perez said that FONDONORMA has an uncertain future following the June 2009 resolution. While FONDONORMA continues to meet on a technical basis with different government organizations, including PDVSA, the national oil company, and PEQUIVEN, the national chemical company, there is no process to certify new standards because FONDONORMA is no longer recognized by the government. According to a press report on July 10, 2009, Commerce Minister Eduardo Saman said that the GBRV would revise Venezuela's laws on regulations and standardization because the current system discriminated against small and medium-sized companies.

15. (C) FONDONORMA is a member of the International Organization of Standardization (ISO) and awards ISO certificates to local companies. Currently it accredits its certification activities through French and Brazilian standards entities: France's COFRAC (ISO 9001 and ISO 14001) and Brazil's INMETRO (ISO 9001 and its own FONDONORMA mark). Perez noted that the GBRV is supposed to notify ISO in writing and in English of the changes promoted by the government; she seemed skeptical that any such notification

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would be sent. Perez ended by stating that FONDONORMA would like to have Embassy support in maintaining its relations with ISO.

COMMENT

16. (C) The June 2009 resolution officially ended the relationship between FONDONORMA and SENCAMER, but in reality cooperation between the two bodies ceased in 2008 after SENCAMER announced that it would no longer certify FONDONORMA standards. At present, it appears that Venezuela has no formalized standards regime, and there is no established process for approving new standards.
DUDDY